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DEPT FOR EUR/AGS, INR/EU, AND EUR/PPD FOR YVETTE SAINT-ANDRE

OSD FOR COMMANDER CHAFFEE

WHITEHOUSE FOR NSC/WEUROPE

E.O. 12958: N/A
TAGS: [KPAO](#) [AU](#) [OPRC](#)

SUBJECT: AUSTRIAN MEDIA HIGHLIGHTS: February 15, 2007

Elsner Flight Risk

1. Former Bawag boss Helmut Elsner is back in Vienna and in detention while awaiting trial. For the time being, however, Elsner is in the Wilhelminenspital where his medical condition is being monitored. For months, the former head of Bawag had escaped extradition claiming a heart condition. According to doctors, however, Elsner's heart problems are not overly serious. The trial will probably begin by summer. His first chance for release on bail comes in two weeks, when his remand will be reassessed. On Friday, Elsner will probably have to appear before the committee investigating the bank scandal. Whether Helmut Elsner will be very forthcoming in giving out information with regard to his involvement in the Bawag scandal is a matter of doubt. At any rate, his extradition means that all nine culprits in the Bawag scandal can be tried at the same time, writes independent daily "Der Standard." All culprits are charged - albeit not to the same degree - with infidelity, severe fraud and forgery of balance sheets. The financial damage amounts to 1.5 billion Euros altogether and if found guilty, the accused are facing prison sentences of up to 10 years. In the meantime, Helmut Elsner's attorney Wolfgang Schubert, in an interview with "Der Standard" insists that there is no flight risk and that he would file for a lift of the remand detention. Schubert asserted further that Helmut Elsner will not make a confession of guilt in the Bawag affair. His client was chiefly responsible for making Bawag a flourishing enterprise. Elsner's job at Bawag ended in April 2003 and he was therefore not responsible for any losses which the bank incurred afterwards, Schubert maintained. He also pointed out that a potential testimony of Elsner would incriminate investment banker Wolfgang Flttl, who is rumored to have donated money to the BZOe to ensure that he received mild treatment in the Bawag trial, writes "Der Standard."

US Ambassador About Steyr Weapons in Iraq

2. In an interview with mass circulation daily "Kurier," US Ambassador Susan McCaw discusses reports of possible Steyr-Mannlicher weapons in Iraq, the security situation there and problems with Iran. With regard to the Austrian weapons deliveries to Iran and the alleged appearance of some of these weapons in neighboring Iraq, Ambassador McCaw said that she was "still waiting for confirmation." The whole issue was "profoundly disturbing" and showed that export control had to be closely monitored. Asked about a possible US attack on Iran, McCaw said that the US did not want war and was working hard to make the diplomatic efforts work, adding that "we definitely need more assistance from our European partners with

regard to sanctions." "The respective UN resolution was important," McCaw underlined, "but even more important would be its implementation. We are hoping to encourage the Iranians to return to the negotiation table. In this respect, the US Ambassador referred to North Korea, where sanctions had also been successful. Asked about her recent trip to Northern Iraq, McCaw asserted that she had enjoyed being there as part of an Austrian economic delegation and that the region was very stable and secure. Northern Iraq, a Kurdish province, was currently the only part of the country where it was possible to invest, McCaw pointed out. The rest of the country was as yet not sufficiently stable, but if the opportunities in Kurdistan were used, this might also help with investments in other regions once they are secure, McCaw showed herself optimistic.

Reprimand for Secret CIA Assistance

¶3. The European Parliament in Strassbourg has charged several EU governments with supporting the CIA in illegal activities. On Wednesday, a majority of parliamentarians agreed to a report of the CIA special investigation committee of the EU Parliament. According to this report, there were about 1,245 CIA flights within European air space between September 11, 2001 and the end of 2005. Some flights involved stopovers at European airports. Among the nations that came in for their share of the blame are Italy, Germany, Britain, Sweden and Portugal. Austria was criticized that it did not do enough to prevent the illegal kidnapping of two Africans that were living in the country and were kidnapped in Jordan in 2003, reports centrist daily "Die Presse." The EU parliamentarians could not confirm whether there had been secret prisons in Poland, Romania, or in Kosovo, respectively. With regard to other charges, the parliamentarians likewise backpedaled: the charges against German Foreign Minister Frank-Walter Steinmeier and the former German administration to have rejected a US offer to release Guantanamo detainee Murat Kurnaz were mitigated. Likewise, there will be no direct sanctions for those member states that assisted the CIA, writes the daily.

Madrid Terror Attacks Trial to Begin

¶4. Madrid's "trial of the century" will begin Thursday, when 29 suspects are to appear before the court that will try them for involvement in the bloody terror attacks of March 11, 2004, when 191 commuter train passengers were killed and another 2,000 injured. The official charges fill 90,000 pages and the prosecution has filed for an aggregate prison sentence of 38,656 years.

Bush Decrees Military Tribunals

¶5. US President George W. Bush has removed the last formal hurdle to establishment of military tribunals. On Wednesday, the White House issued an order providing for tribunals to deal with charges against "foreign enemy combatants." After a prolonged legal tug-of-war, the first Australian Taliban David Hicks, the Canadian Omar Khadr, and the former chauffeur of Usama bin Laden, Ahmed Salim Hamdan, will appear before these tribunals, all of which are authorized to pass death sentences. ORF online reports that last year, the US Supreme Court had refused to endorse the setting up of such special tribunals - claiming that Bush needed congressional consent to make such a move. After a respective law had been signed off, the now published rules and procedures have once again triggered outrage among parliamentarians and the lawyers of the detainees. It is legal for a culprit to be sentenced on the basis of indirect witness statements and enforced testimonies, writes ORF online.

No Proof of Iranian Weapons Deliveries to Iraq

¶6. President Bush has renewed his charge that Iran supplies the insurgents in Iraq with weapons, but admits that there is as yet no proof that the deliveries were ordered by the government in Teheran - all that is known so far is that Iranian revolutionary guards have smuggled weapons into Iraq. The US military, displaying the weapons parts Sunday, declared that the weapons had been delivered on order from the highest levels of the Iranian government. In a press conference held on Wednesday, President Bush declared that he sees progress in the international efforts to get Iran to abandon its controversial nuclear program, but also expressed his conviction that direct bilateral talks between the US and Iran would

not be helpful. "We will be more successful in achieving our goals when others are also involved," centrist daily "Die Presse" quotes from the President's explanation of the US strategy. In this regard, he referred to the multilateral talks with the North Koreans that had also produced a "breakthrough." Former Iranian President Rafsanjani has meanwhile indicated that Teheran was prepared to remove existing obstacles for direct US-Iranian talks, if Washington showed goodwill, the daily writes.

McCaw